

ACA Expansion Options

Access Workgroup

September 13, 2012



Medicaid Expansion – New Optional Adult Group

- ▶ Individuals with income up to 133% FPG who are:
 - Age 19 to 65
 - Not pregnant
 - Not entitled to or enrolled in Medicare and
 - Not otherwise eligible for Medicaid
- ▶ Will use Modified Adjusted Gross Income (MAGI)
- ▶ No asset test
- ▶ Benchmark Benefit Set
- ▶ Effective January 1, 2014, or earlier at State option

Medicaid Expansion – New Optional Adult Group

- ▶ The new adult group would include:
 - Childless Adults (0% to 133% FPG)
 - Parents (100% to 133% FPG)
 - 19 and 20 year olds (100% to 133% FPG)
- ▶ Minnesota is currently covering each of these populations in either MA or MinnesotaCare and receiving 50% federal match.

Income Limits

Current vs. 2014

Group	Current MA Income Limit	Current MinnesotaCare Income Limit	Possible MA Income Limit Jan. 1, 2014
Pregnant Women	275% FPG	275% FPG	275% FPG
Infants (0–2)	280% FPG	275% FPG	280% FPG
Children (2–18)	150% FPG	275% FPG	275% FPG
Children (19–20)	100% FPG	275% FPG	133% FPG
Parents	100% FPG	275% FPG	133% FPG
Adult Group	75% FPG	250% FPG	133% FPG
Elderly & Disabled	100% FPG	N/A	100% FPG

Annual Income Limits (Effective 7/1/2012 – 6/30/2013)

Family Size	75% FPG	100% FPG	133% FPG	275% FPG	280% FPG
1	\$ 8,388	\$11,172	\$14,859	\$30,720	\$31,284
2	\$11,364	\$15,132	\$20,126	\$41,616	\$42,372
3	\$14,340	\$19,092	\$25,392	\$52,512	\$53,460
4	\$17,316	\$23,052	\$30,659	\$63,408	\$64,548
Income limits increase for additional family members.					

U.S. Supreme Court ruling on the Affordable Care Act

- ▶ The individual mandate and all other provisions are constitutional.
- ▶ State expansion of Medicaid is voluntary
- ▶ Expansion for low-income adults in Minnesota is optional.
- ▶ Two program solution to the application of CMS penalties for non-compliance with federal rules.

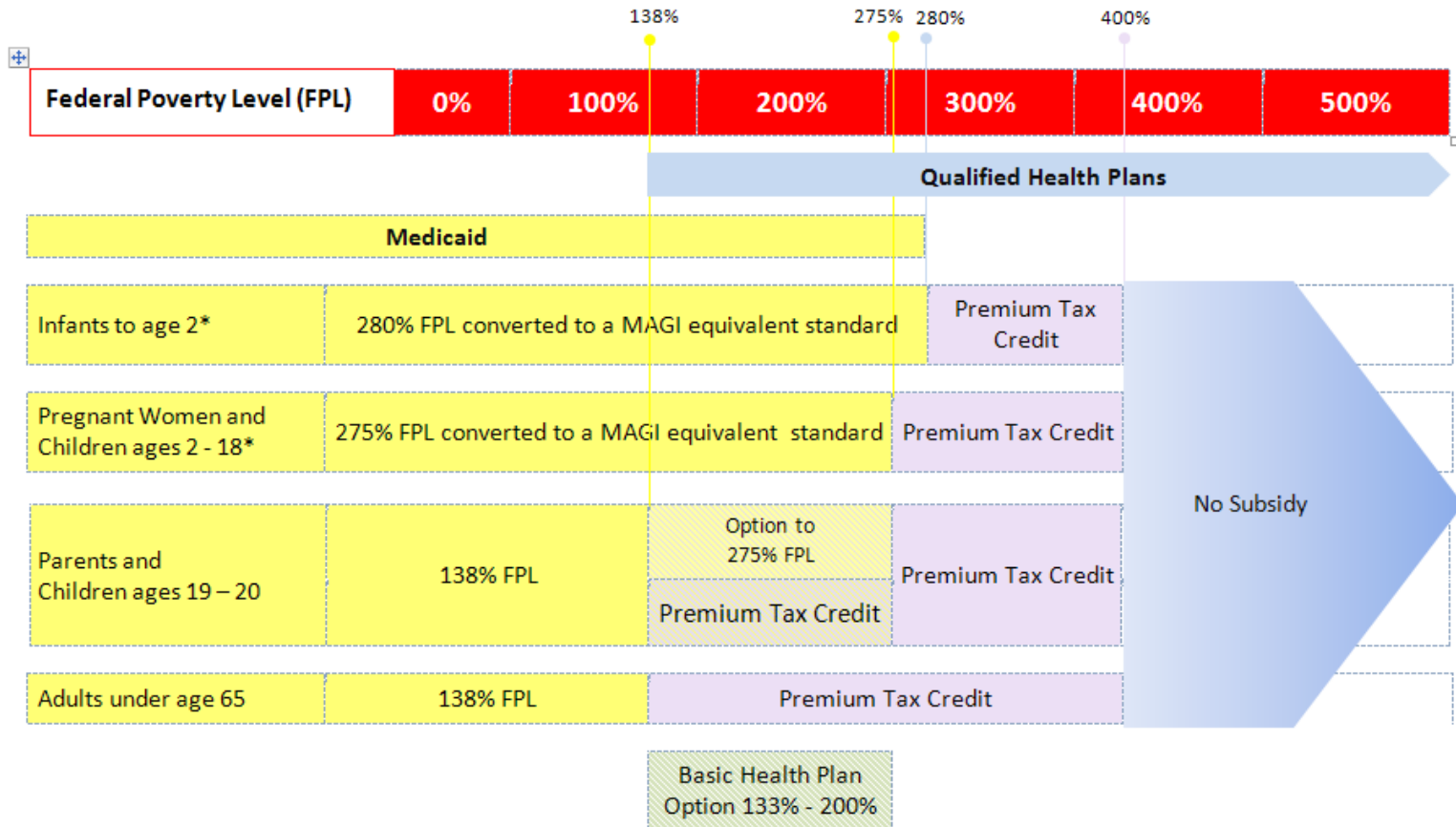
Medicaid Expansion Options

- ▶ Full vs. Partial Medicaid Expansion
 - Currently covering childless adults up to 75% FPG
 - Currently covering parents and young adults up to 100% FPG
 - ACA assumed a mandate up to 133% FPG
 - Not clear that CMS would allow federal funding for partial expansions
- ▶ Opt-in and Opt-out
 - CMS has clarified that states that choose to pick up the expansion option can drop the option at a later date
 - States may also elect to begin the expansion after January 1, 2014.

Coverage Expansion Effects

- ▶ Early Expansion for childless adults to 75% FPG
 - 84,000 Minnesotans including those previously enrolled in GAMC and MinnesotaCare.
- ▶ Continuing to 133% FPG
 - Additional 57,000 Minnesotans including some currently covered in MinnesotaCare.
- ▶ Combination of early and full expansion will save the state budget over \$1 billion for 2011–2015 fiscal period.

Minnesota Coverage Options



*Income standard in effect on June 1, 1997, must be maintained to comply with the CHIP maintenance of effort.

Benchmark Benefit Set

- ▶ New adult group must be enrolled in a benchmark benefit set (**not the EHB benchmark benefit set**).
- ▶ FEHBP, SEGIP, HMO or Secretary approved
 - We currently use full MA benefit but need to revisit that decision if we expand up to 133% FPG.
 - Several groups are exempt from the benchmark requirement and must be allowed access to full MA benefits
 - Some of the exempt groups are hard to define

Benchmark Benefit Set

- ▶ Hard to Define Benchmark Exempt Groups
 - Medically frail individuals
 - Individuals with disabling mental disorders
 - Individuals with serious and complex medical conditions
 - Individuals with physical and or medical disabilities that significantly impair their ability to perform one or more activities of daily living
- ▶ Could require post-eligibility medical and functional assessments.

EHB and Benchmark Benefits

STANDARD MEDICAID

(current Medicaid & Benchmark exempt population)

- **Benchmark package plus** LTSS and home health services

BENCHMARK

(Expansion population)

- **Essential Health package plus** EPSDT, non emergent transport, FQHC services and family planning

ESSENTIAL HEALTH

(Exchange Qualified Plans)

- Physician, hospital, laboratory, MH/SA, rehabilitative and habilitative services

Current Early Expansion Coverage

- ▶ Low-income childless adults up to 75% FPG covered with a 50% federal match under early expansion option.
- ▶ State also receives 50% federal match for childless adults between 75% FPG and 200% FPG in MinnesotaCare.
- ▶ Authority for the federal match for MinnesotaCare childless adults is associated with the early expansion provisions of the ACA.

Enhanced FMAP for New Adults

- ▶ Up to 100% FMAP for newly enrolled individuals that:
 - Are over age 18
 - Not eligible under the State Plan or Federal Waiver as of December 1, 2009
- Enhanced FMAP at 100% for 2014–2016
 - phases down to 95% in 2017
 - phases down to 94% in 2018
 - phases down to 93% in 2019
 - phases down to 90% in 2020 and thereafter

Considerations

- ▶ Current law includes provisions allowing coverage in either MA or MinnesotaCare for parents and adults that are part of the optional expansion group.
- ▶ Federal funding for MinnesotaCare after January 1, 2014, is not clear.
- ▶ Federal funding for early expansion adults in Medicaid is not clear.
- ▶ Beginning January 1, 2014, individuals and families between 100% and 400% FPG who are not eligible for Medicaid can purchase coverage in the Exchange with federal subsidized premium tax credits (also cost-sharing reductions for 100%–250% FPG)

Timelines and Decision Points

- ▶ **November 2012** – Federal and State elections
- ▶ **Dec. 31, 2012** – Negotiations with CMS for MinnesotaCare waiver must begin; waiver expires Dec. 31, 2013
- ▶ **Jan. 8, 2013** – Legislative session begins
- ▶ **October 2013** – Open enrollment period for Exchange begins
- ▶ **Jan.1, 2014** – Medicaid eligibility changes and/or expansions implemented